

APRIL 2009 POSTAL UPDATE

It has been a busy month at the US Postal Service. Many initiatives were clarified and implementation dates were further defined. In addition, more news is being announced on the financial position of the US Postal Service.

SELF MAILERS AND BOOKLETS

As we had hoped, the USPS announced that it is postponing implementation of new preparation and mailing standards for letter-size booklets until September 2009. Current standards for folded self-mailers remain in effect, and the USPS will continue to work with the mailing community to test various folded self-mailer designs. New recommendations for folded self-mailers will be published in September 2009.

The final rule for letter-size booklets includes new standards for design, preparation and sealing of machinable and automation pieces:

Booklets consist of bound sheets or pages. Binding methods that are compatible with machinable processing include perfect binding, permanent fastening with at least 2 staples (saddle stitched) and pressed glue. Spiral bindings are not machinable.

The maximum height is six inches and the maximum length can vary between 9 and 10-1/2 inches, depending on design. Maximum thickness is 1/4" measured at the spine. The current maximum weight of 3-ounces has not changed, applicable to booklets prepared without envelopes. The USPS recommends reducing the length of 3-ounce booklets to 9 inches. Booklets over 3-ounces must be prepared in sealed envelopes.

Cover stock requirements vary with 40-pound minimum basis weight for folded booklets and 60 or 70-pound minimum basis weight for pieces longer than 9 inches.

The bottom edge of booklets must be a bound edge or fold, unless the mailpiece is prepared as an oblong booklet (a spine on the leading edge). Booklets with a spine on the trailing edge are nonmachinable.

Tabs used to seal booklets must not have perforations. Generally, booklets need three 1-1/2 inch tabs as closures. For larger or heavier booklets, the USPS recommends 2-inch tabs. Glue spots or a continuous glue line may be used to seal some booklet designs.

The majority of booklets have a spine or final fold on the bottom. In this case, 50-pound cover stock is required for booklets up to 9" long, otherwise 60-pound stock is required. Two tabs are required on the leading edge, with one tab on the trailing edge. The lower leading tab is 1/2" from the bottom, while the 2 upper leading and trailing tabs are 1" from the top edge. C.TRAC can provide you with a separate document detailing the required locations of tabs. Contact your C.TRAC representative.

Booklets that do not comply with the new standards will not be eligible for machinable or automation letter prices. Nonmachinable booklets will be assessed a surcharge (for First Class), pay nonmachinable prices (for Standard Mail) or pay nonbarcoded prices (for Periodicals).

USPS FINANCIAL POSITION

With the \$2.8-billion loss last year and a \$1.8-billion loss in the first 5-months of this fiscal year, declining mail volumes, a request to reduce delivery to 5 days and an indication by Postmaster General John Potter that the USPS may run out of money this year, the agency is facing very tough economic times. The financial future of the Postal Service may hinge on legislative relief from Congress.

The USPS is seeking flexibility and relief with regard to mandated retiree health care benefit payments. HR 22 would reverse the requirement of a \$2.5-million+ payment into a pre-funded escrow benefit account in each of the next 8 years. Rep. John McHugh (R-NY) reported this week that 252 House colleagues have joined in co-sponsoring the bill. This would have a major impact on an economic turnaround at the Postal Service.

POSTAL PRICES

The proposed postal price increases were approved by the Postal Regulatory Commission (PRC) and will be effective May 11, 2009. For more information by rate class, or detailed rate changes, please contact your C.TRAC representative.

MOVE UPDATE

As a follow-up to last month's announcement of a 30% error rate threshold for non-compliance of the Move Update requirements, the USPS just announced it will delay implementation of the Standard Mail non-compliance penalty from May 11, 2009 until January 4, 2010.

"Delaying implementation allows extra time to provide customers with additional feedback, but does not relieve mailers of their obligation to comply with the Move Update standard if they intend to claim automation or presort prices".

For Standard class mailings in non-compliance, every piece will be charged an additional .07-cents per piece, while First Class mail will be charged the full single-piece rate. The 30% threshold error-rate will be reviewed and modified (i.e. lowered) every 4-months.

C.TRAC's in-house NCOA^{LINK} processing ensures that your database and mailings are always in compliance. To learn more about NCOA^{LINK}, and to schedule quarterly updates for your database and all of your mailings, call your C.TRAC representative.

ADDRESS PLACEMENT

New address standards for commercial flat-size mail became effective on March 29, 2009. These require Periodical, Standard Mail and Package Services flats to have the delivery address in the top half of the mail piece for automation, presorted or carrier route mail. Additional standards relate to address characteristics and apply to all commercial flat-size pieces, including First-Class mail. Call us if you have questions about these new requirements.



INTELLIGENT MAIL BARCODES

The Intelligent Mail Barcode program moves forward with a test period beginning on May 11, 2009 and into full “production” on May 18, 2009 with optional implementation of both the Basic and Full-Service IMb.

Full-Service IMb will require use of Electronic Documentation (now termed “eDoc”) in the form of Mail.dat or Postal Wizard. The benefits of Full-Service include Start-The-Clock and free ACS (Address Correction Service). Postal discounts for Full-Service IMb have been delayed until Nov. 29, 2009.

C.TRAC will be positioned to offer both levels of Intelligent Mail Barcoding to our customers. If you will be implementing the IMb on your own, we suggest you visit the USPS website and obtain copies of the [Beginners Overview](#) (Ver. 5, 2/09), [The Guide to IMB](#) (Ver. 5.10, 3/09) [The Guide to eDoc](#) (Ver. 1.7, 2/09) and [The Full-Service Option Guide](#) (Ver. 1, 3/09). Because of the volume of information available, the USPS has recently introduced a new [Resource Map to Intelligent Mail Documents](#), which summarizes all of the recommended IMb user guides.

A few more changes to the IMb program were recently announced:

- The USPS is hosting an 8-hour IMb training program, “Intelligent Mail Barcode University”, in various cities around the country, and at the National Postal Forum in May in Washington DC.
- Mailers wanting easier access to the Full-Service data (Start-the-Clock and ACS) may do so utilizing a new Business Customer Gateway, which will be available to PostalONE users in May 2009.
- In a minor rule change, Full-service Periodicals and Bound Printed Matter mailings must use Mail.dat regardless of volume. The option of Postal Wizard for mailings of less than 10,000 pieces cannot be utilized).

USPS TESTS “SUMMER SALE” POSTAGE DISCOUNTS

The Post Office will likely implement temporary postage discounts for high-volume mailers who schedule mailings between June 15th and September 15th this year. While the details are still being worked out, discounts are expected to be between 20% and 30%.

If implemented, discounts will be based on mailer’s individually calculated levels based on the volume of the mail they sent for the same time period in 2008, adjusted downward by the current mail trends for the mailer during the first two quarters of this year. Because of the resources needed to calculate each level and discount, the USPS may limit the program to the 4,000 largest Standard Mail class users.

If you have any further questions, please contact Gary Seitz, DJ Sekerak or any of your C.TRAC representatives at 440-572-1000. Thank you!

